

AMENDED IN SENATE MAY 5, 2015
AMENDED IN SENATE APRIL 15, 2015

SENATE BILL

No. 543

Introduced by Senator Wolk

February 26, 2015

An act to amend Sections 1010, 1048, and 1049 of, and to repeal and add Section 1047 of, the Military and Veterans Code, relating to veterans, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 543, as amended, Wolk. Veterans: Veterans' Home of California.

Existing law provides for the establishment and operation of the Veterans' Home of California at various sites, including homes in Barstow, Chula Vista, Lancaster, Ventura, and Yountville, and provides for an administrator for each home or homesite. Existing law defines "home" and "administrator" for these purposes. Existing law establishes the Veterans' Home Fund in the State Treasury, which includes the proceeds of certain bonds. Existing law requires, upon appropriation of the Legislature, the Department of Veterans Affairs to use money in the fund for the purpose of designing and constructing veterans' homes in California.

This bill would clarify that veterans' homes include the Veterans' Homes of California located in Chula Vista, Fresno, Lancaster, Redding, Ventura, and West Los Angeles.

Existing law requires the administrator of a veterans' home to maintain a Morale, Welfare, and Recreation Fund, which is required to be used, at the discretion of the administrator and subject to the approval of the Secretary of Veterans Affairs, to provide for the general welfare of the veterans. Existing law specifies the moneys required to be deposited

into the fund, and requires the administrator to prepare an itemized report for the expenditures made out of, and deposits made into, the fund. Under existing law, those reports are required to be submitted to the secretary, the fiscal committees of the Assembly and Senate, the committees of the Assembly and the Senate that have subject matter jurisdiction over veterans' affairs, and the Veterans' Home Allied Council on or before August 20 of each year.

~~This bill would state the intent of the Legislature to enact legislation to create a statewide Veterans' Home Morale, Welfare, and Recreation Fund, and to authorize the Department of Veterans Affairs to promulgate rules and regulations related to that fund through a stakeholder process that includes residents of the Veterans' Homes of California. The bill would state the Legislature's intent that those rules and regulations include, but not be limited to, a yearly budgeting process for moneys to be expended in each home.~~

This bill would create the Veterans' Home Morale, Welfare and Recreation Fund ("MWR Fund"), a continuously appropriated fund, in the State Treasury. The bill would require the administrator of a veterans' home to deposit all moneys maintained *by the administrator* in an existing Morale, Welfare and Recreation Fund into the *statewide* MWR Fund. The bill would also provide for additional funding for the MWR fund from specified sources, such as operation of a canteen at a home and funds derived from the estates of deceased residents. The bill would require the department, in consultation with the residents of each home, the Veterans' Home Allied Council, and the resident council of each home to adopt regulations that govern the process by which each home may request an annual disbursement of funds from the MWR Fund, and by which the secretary approves and acts upon a request. The bill would authorize the use of funds in the MWR Fund to provide for the general welfare of the residents of a home, as specified, and would specify restrictions on the use of those funds. *The bill would require the department to annually determine the total amount for disbursement from the MWR fund, and for that disbursement to be allocated proportionally to each home's relative share of the total population of the entire veterans home system. The bill would authorize additional allocations to homes for special projects for good cause, and to the Veteran's Home of California, Yountville, if it is appropriate on the basis of the home's unique age, size, and historical significance.* The bill would authorize the administrator of a home to enter into an agreement with the Veterans' Home Allied Council to operate facilities

and activities that are related to authorized expenditures from the MWR Fund, as specified. The bill would require the department to prepare annual reports regarding moneys deposited into the MWR Fund and expenditure of those funds, as specified, and to submit the report on or before August 20 of each year to specified entities. The bill would authorize the department to invest moneys in the MWR Fund in the Surplus Money Investment Fund. The bill would ~~authorize~~ *require* the administrator of each home to establish a separate account for the purpose of receiving donations and require the department, in consultation with the residents of each home, to adopt regulations for expenditure of those funds.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation that accomplishes both of the following:
- 3 (a) Creates a statewide Veterans' Home Morale, Welfare, and
- 4 Recreation Fund.
- 5 (b) Authorizes the Department of Veterans Affairs to promulgate
- 6 rules and regulations related to the statewide Veterans' Home
- 7 Morale, Welfare, and Recreation Fund through a stakeholder
- 8 process that includes residents of the Veterans' Homes of
- 9 California. It is further the intent of the Legislature that these rules
- 10 and regulations include, but not be limited to, a yearly budgeting
- 11 process for moneys to be expended in each home.
- 12 SEC. 2. Section 1010 of the Military and Veterans Code is
- 13 amended to read:
- 14 1010. As used in this chapter:
- 15 (a) "Home" means the Veterans' Home of California, Barstow,
- 16 the Veterans' Home of California, Chula Vista, the Veterans'
- 17 Home of California, Fresno, the Veterans' Home of California,
- 18 Lancaster, the Veterans' Home of California, Redding, the
- 19 Veterans' Home of California, Ventura, the Veterans' Home of
- 20 California, West Los Angeles, and the Veterans' Home of
- 21 California, Yountville.
- 22 (b) "Administrator" means the Administrator of the Veterans'
- 23 Home of California, Barstow, the Administrator of the Veterans'
- 24 Home of California, Chula Vista, the Administrator of the

1 Veterans' Home of California, Fresno, the Administrator of the
2 Veterans' Home of California, Lancaster, the Administrator of the
3 Veterans' Home of California, Redding, the Administrator of the
4 Veterans' Home of California, Ventura, the Administrator of the
5 Veterans' Home of California, West Los Angeles, and the
6 Administrator of the Veterans' Home of California, Yountville.

7 (c) "Department" means the Department of Veterans Affairs.

8 (d) "Director" means the Director of Veterans Affairs.

9 (e) "Veteran" means a member of the home.

10 SEC. 3. Section 1047 of the Military and Veterans Code is
11 repealed.

12 SEC. 4. Section 1047 is added to the Military and Veterans
13 Code, to read:

14 1047. (a) (1) The Veterans' Home Morale, Welfare, and
15 Recreation Fund ("MWR Fund") is hereby created in the State
16 Treasury. Notwithstanding Section 13340 of the Government Code,
17 all funds deposited in the MWR Fund as authorized by this section
18 shall be continuously appropriated to the department, without
19 regard to fiscal year. All references in this chapter to the "Morale,
20 Welfare, and Recreation Fund" or "MWR Fund" are deemed to
21 refer to the fund created by this paragraph.

22 (2) The administrator of a home shall deposit all moneys
23 maintained by the administrator in a Morale, Welfare, and
24 Recreation Fund pursuant to this section as it read on January 1,
25 2015, into the Veterans' Home Morale, Welfare, and Recreation
26 Fund created by paragraph (1).

27 (3) All future moneys collected as a result of unreimbursed costs
28 of care determinations are state funds and shall be deposited in the
29 MWR Fund.

30 (4) The department, in consultation with the residents at each
31 home, the Veterans' Home Allied Council, and the resident council
32 at each home, shall adopt regulations that govern the process by
33 which a home may make an annual request for a disbursement
34 from the MWR Fund and the process by which the Secretary of
35 Veterans Affairs shall review and act upon the request.

36 (5) Moneys deposited in the MWR Fund are exempt from the
37 requirements of Article 2 (commencing with Section 11270) of
38 Chapter 3 of Part 1 of Division 3 of Title 2 of the Government
39 Code.

1 (b) (1) The department may distribute moneys in the MWR
2 Fund to the homes to provide for the general welfare of the
3 residents of the homes.

4 (2) *The department shall annually determine the total amount*
5 *for disbursement from the MWR Fund to the homes. This amount*
6 *shall be disbursed proportionally by each home's relative share*
7 *of the total population of the entire veterans home system.*

8 ~~(2)~~

9 (3) In addition to the annual disbursement to a home from the
10 MWR Fund, the Secretary of Veterans Affairs may, on an annual
11 basis and in his or her discretion, allow for an additional one-time
12 allocation of moneys in an amount no greater than 5 percent of
13 that annual disbursement for a special project if the administrator
14 of the home submits a proposal to the secretary that shows good
15 cause for the allocation. In developing the proposal, the
16 administrator shall consult with the residents of the home, the
17 Veterans' Home Allied Council, or the resident council at the
18 home.

19 (4) *The Secretary of Veterans Affairs may augment the*
20 *allocation from the MWR to the Veterans' Home of California,*
21 *Yountville, after making a determination that this action is*
22 *appropriate on the basis of the home's unique age, size, and*
23 *historical significance.*

24 (5) *The California Veterans Board shall review any proposed*
25 *allocation pursuant to paragraph (3) or (4). This review shall*
26 *include receiving public comment and soliciting comments from*
27 *the Veterans' Home Allied Council or other resident representative*
28 *body of each home. The board shall consider and adopt its advice*
29 *at a publicly noticed meeting before providing that advice to the*
30 *Secretary. The Secretary may act contrary to the board's advice,*
31 *but must provide the board with an explanation of why the advice*
32 *was not the basis for the Secretary's chosen action.*

33 ~~(3)~~

34 (6) For the purposes of this subdivision, providing for the
35 general welfare of the residents of a home includes, but is not
36 limited to, operating a canteen, hobby shop, theater, library, or
37 band, and payment for newspapers, chapel expenses, entertainment
38 expenses, sports activities, celebrations, or any other function or
39 activity that is related to the morale, welfare and recreation of the
40 residents that would not otherwise be paid for by the General Fund.

1 (c) Moneys in the MWR Fund shall not be expended for the
2 following:

3 (1) A medical treatment or a treatment related to a medical
4 treatment.

5 (2) The maintenance of the physical plant of a home, except for
6 capital improvements that directly enhance the quality of life and
7 general welfare of the residents of the home.

8 (3) A function, operation, or activity that is not directly related
9 to the morale, welfare, or recreation of the residents of the home.

10 (d) Appropriations from the General Fund for the purposes
11 described in paragraph (4) of subdivision (b) may not be reduced
12 for the purpose of, or to have the effect of, requiring increased
13 expenditures from the MWR Fund for those described purposes.

14 (e) ~~Beginning on August 20, 2016, and annually on August 20~~
15 ~~thereafter, the~~ The department shall prepare ~~a~~ *an itemized* report
16 that is organized by category and accounts for all expenditures
17 ~~from from, and all funds deposited into,~~ the MWR Fund for the
18 previous fiscal year, and shall submit the report *on or before August*
19 *20, 2016, and annually on or before August 20 thereafter,* to the
20 following:

21 (1) The Department of Finance.

22 (2) The fiscal committees of the Assembly and Senate.

23 (3) The committees of the Assembly and the Senate that have
24 subject matter jurisdiction over veterans' affairs.

25 (4) The Veterans' Home Allied Council and the resident council
26 of each home.

27 (f) The department shall maintain a reserve in the MWR Fund
28 of two million dollars (\$2,000,000).

29 ~~(g) The Secretary of Veterans Affairs may augment the~~
30 ~~allocation from the MWR to the Veterans' Home of California,~~
31 ~~Yountville, after making a determination that this action is~~
32 ~~appropriate on the basis of the home's unique age, size, and~~
33 ~~historical significance.~~

34 ~~(h)~~

35 (g) The department may transfer funds from the MWR Fund to
36 the Surplus Money Investment Fund for investment pursuant to
37 Article 4 (commencing with Section 16470) of Chapter 3 of Part
38 2 of Division 4 of Title 2 of the Government Code. The amount
39 invested and the accrued interest or earnings shall be credited to
40 the MWR Fund for allocation by the department.

~~(i)~~

(h) The administrator of a home may enter into an agreement with the Veterans' Home Allied Council that authorizes the council to operate facilities and engage in activities that are authorized by subdivision (b). The agreement shall be in the form and manner specified by the administrator.

~~(j)~~

(i) (1) Each home shall establish an account separate from the MWR Fund for the purpose of receiving donations.

(2) The department, in consultation with the residents of the home, shall adopt regulations that govern expenditures from the donation account described in paragraph (1).

SEC. 5. Section 1048 of the Military and Veterans Code is amended to read:

1048. ~~(a)~~ The Morale, Welfare, and Recreation Fund shall include proceeds from the operation of a canteen, revenue derived from the issuance of prisoner-of-war special license plates pursuant to Section 5101.5 of the Vehicle Code, interest earned on invested funds, funds derived from the estates of deceased residents, and any other moneys or property described in this chapter, including, but not limited to, moneys and properties received by the home from estate assets located outside the home, regardless of amount. Any moneys derived from golf course green fees, range ball fees, and operations of activities specifically at the Veterans' Home of California, Yountville, shall be credited to the MWR Fund allocation for that home.

~~(b) The department shall prepare an itemized report that is organized by category and accounts for all funds deposited into the Morale, Welfare, and Recreation Fund during the previous fiscal year and shall submit the report on or before August 20 of each year to all of the following:~~

~~(1) The Department of Finance.~~

~~(2) The fiscal committees of the Assembly and the Senate.~~

~~(3) The committees of the Assembly and the Senate that have subject matter jurisdiction over veterans' affairs.~~

~~(4) The Veterans' Home Allied Council and the resident council of each home.~~

SEC. 6. Section 1049 of the Military and Veterans Code is amended to read:

1 1049. Moneys in the Morale, Welfare, and Recreation Fund
2 maintained under subdivision (a) of Section 1047 may be used,
3 subject to approval by the Secretary of Veterans Affairs, to
4 establish or operate a canteen at each home location. The canteen
5 may sell goods at a profit.

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